

SECRET

H. G. Smith Ser

2 May 1973

MEMORANDUM FOR: Legislative Counsel

Jack:

The memorandum you did of your conversation with Nedzi is essentially correct. I would add that the amounts actually improperly billed to the Government are approximately \$500,000. Adjustments have been made but according to audit figures they owe an additional \$330,000. In the meantime, arrangements are being made for OSI to conduct a thorough investigation of the entire matter so that proper decisions can be made in consultation with Justice as to whether any effort will be made at prosecution.

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Deputy General Counsel

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